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Taxation in Cuyahoga County

[Cleveland, O.]

[1901?]

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TAXATION IN CUYAHOGA COUNTY

What has MAYOR JOHNSON DONE TO INCREASE MY TAXES?

NOTHING.

What has HE done to DECREASE MY TAXES?

Added $20,000,000 to the PUBLIC SERVICE CORPORATIONS and reduced the TAX RATE from 3 per cent to 2.67 per cent.

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IN CUYAHOGA COUNTY

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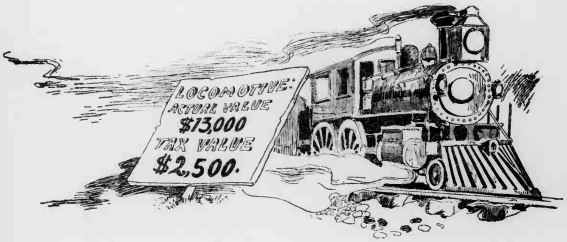

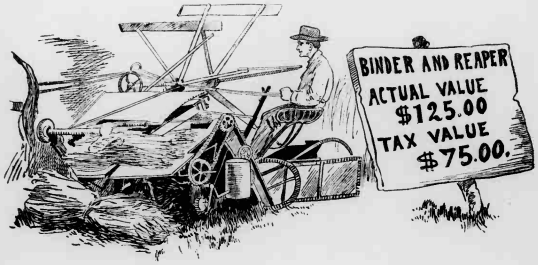

TAX PRIMER

Q. What is the object of taxation?

A. To raise revenue for the support of government.

Q. How is it raised?

A. The national government raises its revenue by tariff taxes and internal revenue taxes. The city, county and state governments raise their revenue by taxing all property according to its value.

Q. What is the rule of valuation?

A. The Constitution of Ohio says that all property shall be appraised at its true value in money, the statute carrying this provision into effect uses the same words.

Q. What is the true value?

A. The true value is what the property will bring in a fair market.

Q. Is all property in Cuyahoga County appraised and taxed?

A. Not half of the personal property and hardly any of the valuable privileges; nearly all real estate is appraised, however. The City Board of Equalization, appointed by Mayor Johnson, has placed "the Lake Front Property" on the duplicate for $622,370.00. This is real estate which has never been taxed till now.

Q. Why have not the railroads paid taxes on "the Lake Front Property?"

A. They say that it should not be taxed until they use it for harbor purposes.

Q. Are they right?

A. Not unless all unused property should be exempt from taxation, such as vacant lots, unsold allotments, idle machinery, etc.

Q. Is all property on the tax duplicate listed at its true value in money?

A. But little of it. Some property, like houses and lots, which cannot be hidden, is taxed for nearly its true value. The two street railroads are worth in money $26,410,000.00. The stock quotations show this. They were listed for taxation for 1901 at $1,883,860.00. The steam railroad property in Cuyahoga County is listed for taxation at $4,569,620.00. This is not more than 60 per cent of the value of the rails, ties and rolling stock, bridges and depots. The land of the railroads escapes taxation.

Q. How much is this land worth in Cuyahoga County?

A. Valuing it on the same basis as adjacent property has been valued and appraised, it is worth over $12,000,000.00 —its "real value in money" is greatly in excess of this.

Q. How is the rolling stock of the railroads appraised?

A. Flat cars are appraised at $100.00, which is less than the patent couplers and brakes on the same are worth. Locomotives are appraised on an average at $2,500.00. They cost about $13,000.00. Passenger coaches are appraised at about $1,300.00. They cost about $6,000.00.

Q. What is the cost of box cars?

A. About $600.00.

Q. What are box cars appraised at?

A. About $150.00.

Q. Has some of this unequal appraisal been remedied?

A. It has.

Q. How has it been remedied?

A. By the City Board of Equalization appointed by Mayor Johnson.

Q. What did this Board do?

A. It raised the appraisal of the two street railroad companies from $1,883,860.00 to $14,780,560.00. It also increased the appraisal of the two gas companies from $827,900.00 to $4,416,100.00. It raised the electric light company from $250,500.00 to $1,122,620.00.

Q. What has been the effect of the increase in the appraisal of these companies?

A. It has added a total of $17,979,390.00 of property to the tax duplicate which had always before escaped taxation, and this has caused the Tax Commission to reduce the rate of taxation in the city from 3 per cent last year to 2.67 per cent for the year to come.

Q. Who does the appraising of the steam railroads?

A. A board made up of all Auditors of counties in the state through which each railroad runs.

Q. What roads were recently appraised in Cleveland?

A. Those centering here.

Q. What did Mayor Johnson ask these boards to do?

A. He asked these Auditors to appraise the railroad property the same as farms and small homes are appraised. This is generally conceded to be about 60 per cent of their selling value.

Q. What would have been the effect had the Auditors done this?

A. It would have added about $10,000,000.00 to the duplicate, which would have further reduced the tax rate.

Q. What did the Auditors do?

A. Some rode on railroad passes and said nothing; others said that Mayor Johnson was trying to make political capital. All refused to make any substantial increase in the valuation of the steam railroads above what the railroad officers themselves had appraised their own property.

Q. How do other states assess railroad property?

A. Two examples will answer this question: The Nickel Plate Railroad is assessed in Indiana at $36,260 per mile. In Ohio it is assessed at $13,713 per mile. The Wabash Railroad is assessed for taxation in Indiana at $30,267 per mile; in Ohio at $12,805 per mile.

Q. What was the conduct of Auditor Craig of Cuyahoga County?

A. The same as the rest of Auditors, who, by their action, showed themselves to be the tax dodging champions for the steam railroad companies. For full report of his conduct, read the complete record of the Board, as published in the columns of the Plain Dealer in May last.

Q. What else did Auditor Craig do or say during the recent appraising of property?

A. Read the article from the Cleveland Plain Dealer and the editorial from the Cleveland Press, both of which are reprinted on the back cover of this pamphlet.

Q. What did Mayor Johnson do to induce the Auditors to increase the appraisement?

A. He brought mandamus proceedings to compel the Auditors to call witnesses and learn the value of the railroad properties.

Q. With what result?

A. He was told that he must first ask the State Board of Railroad Equalizers properly to appraise the roads.

Q. Who constitute this State Board of Railroad Equalizers?

A. The State Auditor, the State Treasurer, the Attorney General and the Railroad Commissioner.

Q. What did they do with Mayor Johnson's demand for equal taxation?

A. They said the law did not permit them to raise the appraisal.

Q. What has Mayor Johnson accomplished in his fight for just taxation of steam railroads?

A. He has raised the question of justice in taxation, which will never be settled till it is settled right.

Q. Why has he not accomplished more in the matter of just appraisals on steam railroad property?

A. Because the County Auditors would not appraise the railroads according to the law, as their oath required them to do, and the State Board so construed the law that it could not interfere with what the Auditors had done.

Q. Has Mayor Johnson quit the fight?

A. He says he has only just begun it.

Q. What does he propose to do next?

A. He will try to have the laws so amended that railroad properties shall be appraised as going concerns at their market value. That all public service corporations, such as street railroads, gas, electric light and telephone companies must make public report to the Auditing Officers of Municipalities, so that the people may know the value of public

franchises and the amount of money these corporations have invested. He proposes that a law be passed by which the officer who takes passes from railroads will be deemed guilty of bribery. And he proposes that tax assessing boards shall have the assistance of the County and City attorneys to examine witnesses, and shall be in session a sufficient time each year to ascertain the true value of all of the property in the County.

Q. How can this be brought about?

A. Through the election of the legislative candidates nominated by the Democratic party.

Q. Why through the election of these candidates?

A. Because they are the only legislative candidates nominated in this county pledged to work and vote for the needed changes in our tax laws.

Q. Will my taxes be less next December?

A. That depends upon who you are. If you are one of the street railway companies, no. If you are the Leader Printing Co., your taxes will be reduced from $960.00 in 1900 to $646.00 in 1901. If you are the owner of down-town property your taxes will be increased.

If you are the owner of property in the residence districts, that has not increased in value since the last land appraisal in 1890, your taxes will be less. This is true because the old tax rate was 12 1-3 per cent higher than the new tax rate secured by the present city administration.

Q. How was it possible to reduce the tax rate?

A. Because the annual City Board, appointed by Mayor Johnson, added twenty million dollars to the appraisal of the municipal monopolies.

Q. Did any other board increase the valuation of property on the tax duplicate?

A. Yes. The Decennial appraisers added to the values of real estate throughout the city. The State Decennial Board added 12 1-2 per cent to every piece of property in the city. This raised the duplicate valuation thirty million dollars.

Q. Which "raise" affects my taxes?

A. Both affect your taxes. That which the Decennial Boards added necessarily raises your taxes.

What the City Board, appointed by Mayor Johnson, put on the public service corporations necessarily reduces your taxes.

Q. What did the present city administration have to do with the work of the Decennial Boards?

A. Nothing. These boards, the majority of the members of which were Republicans, took office long before Mayor Johnson was elected.

Q. What has he done since his election to affect taxes?

A. He appointed the majority of the annual City Board of Equalization which added twenty million dollars to the assessed value of certain corporations, and thereby was able to reduce the rate of taxation upon every other piece of property in the city. All other increases in valuation were made by Boards beyond his control.

Q. How much more money will be collected this year than last year?

A. $990,000.

Q. How will it be divided?

A. The Public Schools will get of this..... $228,000

The State	157,500
The County	136,500
The Public Library	63,000
For Sinking Fund purposes	185,500
The City, principally for refunding to the City Hall Fund, and for cleaning and lighting streets	219,500

The twenty million dollars added by the City Board will pay $500,000 of the total increase of $990,000.

Q. What do these facts prove?

A. That the increased taxes of the municipal monopolies alone will pay all the additions to City, Sinking Fund and Library funds, and leave $32,000 to the County.

Q. What can be done to further reduce this rate below two and two-thirds per cent?

A. All property which is now escaping taxation should be put on the duplicate and the value of all under-assessed property should be raised. When this is accomplished, it is believed that the tax rate will be less than one and one-half per cent.

Q. Whose fight is this?

A. It is the fight of everybody who pays taxes.

Q. Who pays taxes?

A. Every user of property, whether owner or tenant.

Q. Whose interest is it to help Mayor Johnson in this fight?

A. It is the interest of every man, regardless of party, who is paying his fair share of taxes, or who pays more than his just proportion.

Q. Who is interested to defeat Mayor Johnson's fight for equality in taxation?

A. The man who hides his property from the assessor, the corporations who get their property assessed at 10 per cent of its value, while others are assessed at 60 per cent and more; the railroad companies who own property in Ohio selling on Wall street for $534,396,625.00, but which is assessed in Ohio for taxation at $116,925,975.00.

Q. Which side will YOU take in this fight?

JUST AND EQUAL TAXATION.

Every tax payer is interested in this campaign, for its paramount issue is JUST AND EQUAL TAXATION. Every voter is a tax payer, and is interested in this campaign, for the happiness and welfare of the people and the prosperity and safety of the State depend upon

JUST AND EQUAL TAXATION.

WHAT WE NOW HAVE

Under existing laws and methods of executing them:

1. Farm lands are assessed at sixty per cent of their real value.

2. The homes of the small owners of city real estate are taxed at sixty per cent of their real value.

3. Steam railroads are assessed at about 22 per cent of their real value, and hence pay only about one-third of their fair share of taxes as compared with the farmers and small property owners of the State.

4. Street railroads and other public service corporations use the property of the people, and by keeping up the price of service make immense profits, but they value their property as "junk" when returning it for taxation, and so pay only about one-tenth of their fair share of taxes, as compared with farmers and small property owners.

By reason of the fact that so much of the taxable property in the State unjustly evades taxation, THE PROPERTY OF THE HONEST AND HELPLESS IS TAXED AT A

MUCH HIGHER RATE than it would be if all property was honestly assessed, as the Constitution of the State demands, at its true value in money. The property of Great Corporations is almost untaxed, and thus the burden of taxation is not borne by all property alike, but is unjustly thrown upon the property of the farmer and small home owner.

WHAT MAYOR JOHNSON WANTS.

Tom L. Johnson has made the issue of this campaign by demanding JUSTICE FOR ALL IN TAXATION, and to this demand the Democratic Party stands committed.

No war on corporations or wealth is intended, but it is believed that corporations and their wealth should be treated with equal and exact justice, and that they should neither be plundered nor permitted to plunder other people, and any system which exempts one man's property from taxation and throws the whole burden upon the property of others is a wrong which demands redress.

WHAT MAYOR JOHNSON HAS ALREADY DONE.

THE TAX SCHOOL.

As soon as he came into office, Mayor Johnson caused his "Tax School" to be organized, and by its aid he has shown strange inequalities in the valuation of city real estate. It was well-known before that these inequalities existed, but Mayor Johnson has made it all so plain that everyone can now see, as if it were a picture, just how great the wrong is. The maps of the tax school show how much more you pay than you ought to pay, and how much less some others are paying. and now, as soon as the law will permit, justice and equality will be established in these assessments. Mayor Johnson has discovered and made plain the facts; he has pointed out the wrong and the remedy—it is for you to help him cure the evil.

THE CITY BOARD OF EQUALIZATION.

Mayor Johnson's next move was to fill up the vacancies on the annual City Board of Equalization. He appointed four good men, one of them an able Republican lawyer, as he believes this work is higher than politics, and invites all fair-minded and patriotic men to join in doing it, whatever their party politics may be.

This Board worked all the time given it by law and added to the duplicate for taxation nearly twenty million dollars' worth of property of public service corporations. This property has heretofore unjustly escaped. By doing this he made it possible to reduce the tax rate from 3 per cent to 2.67 per cent. This was done by doing justice to the Street Railroads, Gas and Electric Light Companies, and making them do justice to you.

STEAM RAILROADS.

Mayor Johnson went before the County Auditors, whose duty it is to value the property of railroads for taxation. He collected information and offered to prove that this property was grossly undervalued. THE AUDITORS REFUSED to listen to him or to RECEIVE THE EVIDENCE HE HAD COLLECTED.

He then asked the auditors to summon in the officers of the railroads upon whose statements the valuations were to be made, that questions might be asked them. The law authorizes this, but the auditors refused to do their duty. Mayor Johnson tried to force them to do their duty by applying to the courts, but the courts found that they were powerless and that relief must come, if at all, from the State Board of Equalization for Railroads. Mayor Johnson went

to Columbus, to attend meetings of this Board. He presented printed statements showing the fraud perpetrated on the people by the undervaluation of railroad property and printed arguments of lawyers showing that it was the duty of the State Board to correct this abuse. But the State Board took refuge in a quibble and refused to do its duty. From this decision THE PEOPLE HAVE NO APPEAL except to the Legislature for the enactment of better laws and to the ballot box for the election of better men who will serve the people instead of the railroad companies. Mayor Johnson now asks you to help him by electing men to the Legislature who will pass laws which Auditors cannot disregard and State Boards cannot trifle with.

THE DEMOCRATIC PLATFORM.

This is a local campaign, and the Democratic Platform is confined to local issues. It commits the party to the enactment and faithful execution of such laws as will do justice in Taxation. It further pledges the candidates who stand upon it to secure to the people the right to vote upon the granting of franchises to street railroads and other public service companies; to protect the servants of the people from the petty bribery of free passes and other favors by making their acceptance of them cause for vacating their offices; to labor to secure to the people the right to elect U. S. Senators by popular vote; and to an economical, safe and progressive administration of the people's public business. Upon such a platform the Democratic Party presents to the voters of Cuyahoga County nominees of high character and intelligence. If you believe in these things you can help to bring them to pass by voting for them.

These are not party questions. They are questions of honesty, fairness and justice, and the people will answer them aright. No cause that is true can lose. This cause is true, and therefore must prevail.

Consider whether you believe with us or against us, and vote as you believe. This is the citizen's highest duty, and the free man's greatest privilege.

THE ISSUE.

TOM L. JOHNSON'S APPEAL TO THE VOTERS OF CUYAHOGA COUNTY:

The work in the so-called tax school, though not finished, has progressed far enough to show what the final result will be. Small shops and homes, including the rented homes of the poorer people, are assessed relatively higher than any other real estate in the City.

A great majority of these small properties, valued at less than two thousand dollars, are assessed at more than 60 per cent of their true value, some being actually assessed at more than the owners offer to sell the property for. If all of this property were reduced to a 60 per cent basis, it would, in my opinion, reduce the tax duplicate at least $10,000,000.

The more valuable properties, those assessed at more than $2,000 each, show great variations, and generally the more valuable pieces are assessed at the lowest rates. If this property were raised to 60 per cent of its true value, the effect would be to increase the duplicate more than seventy million dollars. There are some cases where small properties on one side of a street are assessed at $6.00 per foot front, and the valuable property of a single owner on the opposite side of the street is assessed at less than $1.00 per foot front.

The rule is almost universal that the valuable properties are assessed low, while the least valuable are assessed high. The reason for this is that the small property owners have neither the time nor the means to look after their assessments, while the larger interests employ the highest skill to secure an undervaluation.

This whole question was fully presented to the Decennial Board of Revision. While their action isn't complete, they have done enough to show their inability or unwillingness to deal with the question. The changes they are making are insignificant. They are making no effort whatever to correct these inequalities, though they have full power to do so.

The Annual City Board of Equalization has devoted much time to investigating these inequalities, and will, in all probability, be able to make a report during the month of December that will throw great light on this subject. In the meantime, they have actually raised the tax duplicate nearly twenty million dollars, by assessing at something near 60 per cent of their value the municipal monopolies of this city. This one fact has been the greatest triumph in the equalization of taxation yet accomplished in this state, and it was due to this increase, solely, that the rate of taxation was lowered from 3 per cent to 2.67 per cent, so that the old rate was 12 1-3 per cent higher than the present rate.

If the Decennial Board and the County Auditors had proceeded in the same way, the tax duplicate would have been increased nearly one hundred million dollars, the effect of which would have been to reduce the rate to less than 1.78 per cent, without any decrease in revenue to either the City, County or Schools. Every small property owner in the City would have realized the benefit by a reduction of one-third of the amount of his taxes.

This is a big subject and should appeal to every fair-minded man, regardless of his political affiliation. There is a gigantic inequality in taxation by which steam railroads, municipal monopolies and large property owners generally are paying less than their share, while the burden of this inequality is borne by those least able to bear it.

The work of the County Auditors, assembled here, on the assessment of steam railroads, exhibited the power of railroad officials to control their action and the railroads are avoiding the payment of over $261,742.00 per year of their fair share of the taxes to the City and County; while the County and City, if the law were changed as it should be, would realize from these steam railroads more than double this sum. All this valuable real estate of the steam railroads of this City escapes taxation, for the valuation put on the roads by the County Auditor is not 60 per cent of their rails, cars, locomotives and other property, exclusive of the value of the land.

The Steam Railroad Board of Equalization, at Columbus, notwithstanding its absolute right to correct this inequality, has by a subterfuge refused, claiming a want of power.

If this County elects a delegation to the next Legislature antagonistic to these measures, this important work will be delayed and every obstacle thrown in the way, while nothing will give it a greater impetus, nothing will do more to realize a system of just taxation than the election of the fourteen members to the next Legislature, who are pledged to press forward this good work.

In view of this, the question rises above a question of mere party politics; it is a question of equality and justice; of fair dealing between man and man.

I, personally, vouch for every member of the fourteen on the Democratic ticket as thorough believers in the platform on which they are nominated, and I believe they will faithfully and honestly labor for the enactment into law of the changes necessary to bring about these results.

Tom L. Johnson

ALLIED PRINTING TRADES UNION LABEL COUNCIL CLEVELAND

ACTUAL
VALUE
$50,000
TAX VALUE
$5,000.

ACTUAL
VALUE
$1,000
TAX VALUE
$1,200.

PLAIN DEALER

MORNING, EVENING AND SUNDAY,
Plain Dealer Publishing Co.

WEDNESDAY MAY 15, 1901.

Colloquy between Mayor Tom L. Johnson and County Auditor W. E. Craig before meeting of board of county auditors called to appraise the Cleveland Belt & Terminal Railroad property for taxation:

"While you put other property on the duplicate for 60 and 80 per cent of its value you have put the Valley and C. & P. railroads down for about 8 and 13 per cent. Now, sir, I'd like you to tell me what methods you employ to determine the tax value of these roads."

"That is something I don't care to explain and I don't know that I can."

"You can't tell how you do it. You merely guess. You guess at the value of railroad property the same as you would guess at the value of a lump of chalk. You don't learn and you don't care to learn whether there is gold, silver or a brick inside of it."

"Can't I do some work for you, si said the man to the grocer one da er.

"Sure," said the grocer; "s you shut the door after yc

xchange.

The Cleveland Press.

The Scripps Publishing Company.
152-156 Seneca-st. Cleveland, O.

Milton A. McRae.....President
E. W. Scripps.....Chairman of Board
L. T. Atwood.....Treasurer

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CLEVELAND, FRIDAY, AUG. 16, 1901.

GREAT IS CRAIG.

"It means more to a business man when half a million dollars is slipping out of his fingers than it does to a residence owner, who has only $5000 invested. In the former case the man sees his fortune going. In the latter the amount is not so large."

No, gentle reader, this is not a quotation from John Rockefeller. The man in whose gigantic intellect this wonderful economic theory was conceived is W. E. Craig, auditor of Cuyahoga-co and member of the decennial board of equalization.

Craig is mad all over because he thinks Appraiser Dimler put too high a valuation on second ward property. In giving voice to his anger, he used these words.

Read 'em again. They'll bear reading several times. Remember who said 'em. Craig, that's the name; not John D. Rockefeller, or "Newt" Hilliard, but W. E. Craig, auditor of Cuyahoga-co and member of the decennial board of equalization.

And don't forget that a man who will have much to do with equalizing tax values in this county believes that it means more to a millionaire to lose part of his fortune than it does to a poor man to lose his home.

After "The Press" had smoked out the street railway franchise grabbers and driven them to the tall grass, the late Cleveland Leader's ghost comes out of its Superior-st sarcophagus and wails that it isn' just the proper ... of ... to have seen

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